



Scottish Executive

10

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Low Income, Low Assets - A new route into bankruptcy: Consultation on proposed regulations

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CONSULTATION QUESTIONNAIRE (Page One)
Low Income, Low Assets – a new route into Bankruptcy

The deadline for responses is 25 June 2007

Your details

Name

Job title (if applicable)

Organisation (if applicable)

Address

Postcode

e-mail address

JAMES MACINTYRE
OWNER
JAMES MACINTYRE & CO.
DUNDAS COURT 38140 NEW CITY ROAD GLASGOW
G4 9JT
[REDACTED]

For the purpose of analysing responses, it would be helpful if you would also indicate the capacity in which you are completing this questionnaire, please tick as appropriate.

- | | | | |
|-------------------------|-------------------------------------|------------------------------|--------------------------|
| Advice Sector | <input type="checkbox"/> | Legal Body | <input type="checkbox"/> |
| Business | <input type="checkbox"/> | Professional Body | <input type="checkbox"/> |
| Individual | <input type="checkbox"/> | Statutory Body | <input type="checkbox"/> |
| Insolvency Practitioner | <input checked="" type="checkbox"/> | Other (Please Specify) _____ | <input type="checkbox"/> |

Questions for Consultation

1a Do you agree with the proposal to treat someone in receipt of an income based Social Security benefit as having no income for the LILA scheme?

Yes No

1b Do you think £100 (gross) is the appropriate level for the purposes of calculating low income?

Yes No

1c If not, please state what you would consider to be the appropriate level e.g. £150, £200 and why?

£110 MINIMUM WAGE

1d How should the level determined be calculated, e.g. gross income at date of application or gross weekly income averaged over 6 month or 12 month period?

DATE OF APPLICATION



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1e Should Child Tax Credit be disregarded in the calculation of income?

Yes No

1f Should any other benefits or tax credits be disregarded in the calculation of income?

Yes No

1g If so which benefits or tax credits should be disregarded?

PER AIB NOTES FOR GUIDANCE. ALL BENEFITS DISREGARDED AS INCOME FOR PURPOSES OF CALCULATING CONTRIBUTION PAYABLE.

2a Do you think £1,000 is the appropriate level for the purposes of calculating assets?

Yes No

2b If not, please state what you would consider to be the appropriate level, and why (for example, linking to other limits in use in diligence).

2c Should excluded assets only be those which would be excluded from bankruptcy?

Yes No

2d If not, which other types of assets should be included or excluded?

2e Do you agree that anyone who owns their own house or other property should be excluded from the LILA scheme?

Yes No

2f If not, why?

MAY HAVE NEGATIVE EQUITY. PROPERTY MAY BE DIFFICULT TO SELL BECAUSE OF CONSTRUCTION TYPE ETC.

WOULD NEED TO CONSIDER WHO PAYS OUTLAYS SUCH AS VALUATION

CONSULTATION QUESTIONNAIRE (Page Three)
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3a Should there be a different debt threshold for LILA applications?

Yes No

3b If so, at what level should it be set?

4a Do you agree that a simple on-line process should be the usual means of applying for bankruptcy through the LILA scheme?

Yes No

4b If not, what forms of applications should be allowed and why?

PROBLEM OF IDENTIFYING THE DEBTOR, CONTROLS NEEDED TO PREVENT APPLICATIONS IN OTHER NAMES. HOW DO YOU VERIFY INFORMATION IN THE APPLICATION.

4c Do you think that the proposed £50 fee is reasonable?

Yes No

4d If not, what kind of fee structure would be appropriate? (please consider issues such as deterrence, consistency with other applications, waivers for specific groups of debtors, higher costs of administering hard copy applications)

4e Do you agree that a Statutory Declaration by a debtor should be sufficient for a debtor's application?

Yes No

4f If not, what else should be required and why?

HOW DOES DEBTOR "SIGN" ONLINE. HOW DO YOU VERIFY IDENTITY AND STATEMENTS MADE

4g Do you have any other suggestions for the LILA process which you would like us to consider?

CONSULTATION QUESTIONNAIRE (Page Four)
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5a Do you agree that there should be a delay between the date of application and an award of bankruptcy?

Yes No

5b If no, why not?

5c If yes, is 5 weeks a reasonable period of delay?

Yes No

5d If you do not agree that 5 weeks is a reasonable period, what alternative would you suggest and why?

TOO LONG. 2 WEEKS

5e Should the debtor be able to withdraw their application during this period?

Yes No

5f Should the creditor be entitled to object to an application during this period?

Yes No

5g If so, should grounds for objection be restricted to the accuracy/honesty of the debtor's averment of low income and low assets?

Yes No

5h If not, what other grounds for objection be considered?

6 Do you have any other comments?

HOW IS THE CREDITOR NOTIFIED OF THE APPLICATION BEFORE THE AWARD OF BANKRUPTCY. PROPOSAL FOR BANKRUPTCY TO LAST FOR ONE YEAR, WILL LIA SYSTEM ALLOW FOR BANKRUPTCY PAYMENT ORDERS IF DEBTOR'S CIRCUMSTANCES CHANGE

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